### IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF OREGON

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UNITED STATES OF AMERICA,	) )
Plaintiff,	)
v.	) Civil Action No. <u>07-1084-45</u>
ALASKA-SUTHERLIN KNOLLS CORPORATION,	
Defendant.	

### CONSENT DECREE

WHEREAS, the Plaintiff, the United States of America, on behalf of the United States Army Corps of Engineers ("Corps"), filed the Complaint herein against Defendant Alaska-Sutherlin Knolls Corporation ("Defendant"), alleging that Defendant violated Section 301(a) of the Clean Water Act ("CWA"), 33 U.S.C. § 1311(a);

WHEREAS, the Complaint alleges that Defendant violated CWA Section 301(a) by discharging dredged or fill material and/or controlling and directing the discharge of dredged or fill material into waters of the United States at a site located adjacent to Cooks Creek in Sutherlin, Douglas County, Oregon (the "Site") in violation of its Section 404 permit as more fully described in the Complaint, without authorization by the Corps;

WHEREAS, the Complaint seeks (1) to enjoin the discharge of pollutants into waters of the United States in violation of CWA Section 301(a), 33 U.S.C. § 1311(a); (2) to require Defendant, at their own expense and at the direction of the Corps to restore and/or mitigate the damages that may have been caused by the alleged unlawful activities; and (3) to require Defendant to pay civil penalties as provided in 33 U.S.C. § 1319(d);

WHEREAS, Defendant has placed fill material in water of the United States on the Site in connection with its development of a multiple retail commercial center within the city limits of Sutherlin, Oregon pursuant to Corps CWA Section 404 Permit No. 97-01571, but has failed to perform certain conditions contained in the Permit relating to wetland mitigation;

WHEREAS, this Consent Decree is intended to constitute a complete and final settlement of the United States' claims under the CWA set forth in the Complaint regarding the Site;

WHEREAS, the United States and Defendant agree that settlement of this case is in the public interest and that entry of this Consent Decree is the most appropriate means of resolving the United States' claims under the CWA against Defendant in this case; and

WHEREAS, the Court finds that this Consent Decree is a reasonable and fair settlement of the United States' claims against Defendant in this case, and that this Consent Decree adequately protects the public interest in accordance with the CWA and all other applicable federal law.

THEREFORE, before the taking of any testimony upon the pleadings, without further adjudication of any issue of fact or law, and upon consent of the parties hereto by their authorized representatives, it is hereby ORDERED, ADJUDGED and DECREED as follows:

### I. JURISDICTION AND VENUE

- 1. This Court has jurisdiction over the subject matter of these actions and over the parties pursuant to 28 U.S.C. §§ 1331, 1345, and 1355, and Section 309(b) of the CWA, 33 U.S.C. § 1319(b).
- 2. Venue is proper in the District of Oregon pursuant to CWA Section 309(b), 33 U.S.C. § 1319(b), and 28 U.S.C. §§ 1391(b) and (c), because the Defendant conducts business in this District, the subject property is located in this District, and the causes of action alleged herein arose in this District.

3. The Complaint states a claim upon which relief can be granted pursuant to Sections 301, 309 and 404 of the CWA, 33 U.S.C. §§ 1311, 1319 and 1344.

### II. APPLICABILITY

- Defendant, its officers, directors, agents, employees and servants, and its successors and assigns, any person, firm, association or corporation who is, or will be, acting in concert or participation with the Defendant, and any person, firm, association, or corporation that may purchase, acquire, or otherwise control the property that is subject to this Consent Decree, whether or not such person has notice of this Consent Decree. In any action to enforce this Consent Decree against the Defendant, the Defendant shall not raise as a defense the failure of any of its officers, directors, agents, employees, successors or assigns, any person, firm or corporation acting in concert or participation with the Defendant, or any person, firm or corporation that may purchase, acquire, or otherwise control the property that is subject to this Consent Decree, to take any actions necessary to comply with the provisions hereof.
- 5. The transfer of ownership or other interest in the "On-Site Mitigation Serpentine Channel" Site, or the "Stearns Lane Ranch Wetland Mitigation Site" (as described in Appendix A, Figures 1, 2, and 3, appended hereto and incorporated herein by reference) shall not alter or relieve Defendants of its obligation to comply with all of the terms of this Consent Decree. At least fifteen (15) days prior to the transfer of ownership or other interest in the On-Site Mitigation Serpentine Channel Site, or the Stearns Lane Ranch Wetland Mitigation Site, the party making such transfer shall provide written notice and a true copy of this Consent Decree to its successors in interest and shall simultaneously notify the Corps, the United States Attorney for the District of Oregon, and the United States Department of Justice at the addresses specified in Section IX below that such notice has been given. As a condition to any such transfer, the

Defendant making the transfer shall reserve all rights necessary to comply with the terms of this Consent Decree.

### III. SCOPE OF CONSENT DECREE

- 6. This Consent Decree shall constitute a complete and final settlement of all civil claims for injunctive relief and civil penalties alleged in the Complaint against the Defendant under CWA Section 301 concerning the Site.
- 7. It is the express purpose of the parties in entering this Consent Decree to further the objectives set forth in CWA Section 101, 33 U.S.C. § 1251. All plans, studies, construction, remedial maintenance, monitoring programs, and other obligations in this Consent Decree or resulting from the activities required by this Consent Decree shall have the objective of causing Defendant to achieve and maintain full compliance with, and to further the purposes of, the CWA.
- 8. Except as in accordance with this Consent Decree, Defendant and Defendant's agents, successors, assigns and transferees are enjoined from discharging any pollutant into waters of the United States, unless such discharge complies with the provisions of the CWA and its implementing regulations.
- 9. This Consent Decree is not and shall not be interpreted to be a permit or modification of any existing permit issued pursuant to Sections 402 or 404 of the CWA, 33 U.S.C. §§ 1342 or 1344, or any other law. Nothing in this Consent Decree shall limit the ability of the Corps to issue, modify, suspend, revoke or deny any individual permit or any nationwide or regional general permit, nor shall this Consent Decree limit the Corps' ability to exercise its authority pursuant to Section 404(c) of the CWA, 33 U.S.C. § 1344(c).
- 10. This Consent Decree in no way affects or relieves Defendant of its responsibility to comply with any applicable federal, state, or local law, regulation or permit.

- 11. This Consent Decree in no way affects the rights of the United States as against any person not a party to this Consent Decree.
- 12. The United States reserves any and all legal and equitable remedies available to enforce the provisions of this Consent Decree and applicable law.
- 13. Nothing in this Consent Decree shall constitute an admission of fact or law by any party.

### IV. SPECIFIC PROVISIONS

### **CIVIL PENALTIES**

- 14. Defendant shall pay a civil penalty to the United States in the amount of ONE HUNDRED AND FIVE THOUSAND Dollars (\$105,000.00), within 120 days of entry of this Consent Decree.
- 15. Defendant shall make the above-referenced payment by FedWire Electronic Funds Transfer ("EFT" or wire transfer) to the U.S. Department of Justice account in accordance with current electronic funds transfer procedures, referencing the Corps and DOJ case number 90-5-1-1-17836 and USAO case number 2006-V00121. Payment shall be made in accordance with instructions provided to the Defendant by the Financial Litigation Unit of the United States Attorney's Office for the United States District of Oregon. Any payments received by the Department of Justice after 4:00 P.M. (Eastern Time) will be credited on the next business day.
- 16. Upon payment of the civil penalty required by this Consent Decree, Defendant shall provide written notice, at the addresses specified in Section IX of this Consent Decree, that such payment was made in accordance with Paragraph 17.
- 17. Civil penalty payments pursuant to this Consent Decree (including stipulated penalty payments under Section VIII) are penalties within the meaning of Section 162(f) of the

Internal Revenue Code, 26 U.S.C. § 162(f), or of 26 C.F.R. § 1.162-21 and are not tax deductible expenditures for purposes of federal law.

### RESTORATION, MITIGATION AND PRESERVATION

- 18. Defendant shall perform the restoration, mitigation, and preservation project under the terms and conditions stated in Appendix A, Appendix B, and the Final Mitigation Plan, Alaska Sutherlin Knolls Corporation prepared by Land and Water Environmental Services, Inc., dated February 20, 2006 ("Final Mitigation Plan"), and which are appended hereto and incorporated herein by reference, and are fully enforceable as part of this Consent Decree.
- 19. Upon completion of the terms and conditions of Appendix A, Appendix B, and the Final Mitigation Plan, Defendant shall not mow, cut, clear, cultivate, dredge, excavate, farm, fill, dewater, drain or otherwise disturb in any manner whatsoever any location identified in Appendix A, Figures 1, 2, 3, 4, and 7, except as approved by the Corps.
- 20. To ensure that all parcels of land identified in Appendix A, Figures 1, 2, 3, 4, and 7 remain undisturbed, Defendant shall, within fifteen (15) days of entry of this Consent Decree, record a certified copy of this Consent Decree with the Recorder of Deeds Office, in Douglas County. Thereafter, each deed, title, or other instrument conveying an interest in any property identified in Appendix A, Figures 1, 2, 3, 4, and 7 shall contain a notice stating that the property is subject to this Consent Decree and shall reference the recorded location of the Consent Decree and any restrictions applicable to the property under this Consent Decree.

### V. NOTICES AND OTHER SUBMISSIONS

21. Within 30 days after the deadline for completing any task set forth in Appendix A, Appendix B, and the Final Mitigation Plan of this Consent Decree, Defendant shall provide the United States with written notice, at the addresses specified in Section IX of this Consent Decree, of whether or not that task has been completed.

- 22. If the required task has been completed, the notice shall specify the date when it was completed, and explain the reasons for any delay in completion beyond the scheduled time for such completion required by the Consent Decree.
- 23. In all notices, documents or reports submitted to the United States pursuant to this Consent Decree, the Defendant shall, by signature of a senior management official, certify such notices, documents and reports as follows:

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering such information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

### VI. RETENTION OF RECORDS AND RIGHT OF ENTRY

- 24. Until 10 years after entry of this Consent Decree, Defendant shall preserve and retain all records and documents now in its possession or control or which come into its possession or control that relate in any manner to the performance of the tasks in Appendix A, Appendix B, or the Final Mitigation Plan regardless of any corporate retention policy to the contrary. Until 10 years after entry of this Consent Decree, Defendant shall also instruct its contractors and agents to preserve all documents, records, and information of whatever kind, nature or description relating to the performance of the tasks in Appendix A, Appendix B, or the Final Mitigation Plan.
- 25. At the conclusion of the document retention period, Defendant shall notify the United States at least 90 days prior to the destruction of any such records or documents, and, upon request by the United States, Defendant shall deliver any such records or documents to the Corps. The Defendant may assert that certain documents, records and other information are

privileged under the attorney-client privilege or any other privilege recognized by federal law. If the Defendant asserts such a privilege, it shall provide the United States with the following: (1) the title of the document, record, or information; (2) the date of the document, record, or information; (3) the name and title of the author of the document, record, or information; (4) the name and title of each addressee and recipient; (5) a description of the subject of the document, record, or information; and (6) the privilege asserted by Defendant. However, no documents, reports or other information created or generated pursuant to the requirements of the Consent Decree shall be withheld on the grounds that they are privileged.

- 26. A. Until termination of this Consent Decree, the United States and its authorized representatives and contractors shall have authority at all reasonable times to enter the Defendant's premises to:
  - 1) Monitor the activities required by this Consent Decree;
  - 2) Verify any data or information submitted to the United States;
  - 3) Obtain samples;
  - 4) Inspect and evaluate Defendant's mitigation activities; and
  - 5) Inspect and review any records required to be kept under the terms and conditions of this Consent Decree and the CWA.
- B. This provision of this Consent Decree is in addition to, and in no way limits or otherwise affects, the statutory authorities of the United States to conduct inspections, to require monitoring and to obtain information from the Defendant as authorized by law.

### VI. DISPUTE RESOLUTION

27. Any dispute that arises with respect to the meaning or requirements of this

Consent Decree shall be, in the first instance, the subject of informal negotiations between the

United States and Defendant to attempt to resolve such dispute. The period for informal

negotiations shall not extend beyond thirty (30) days beginning with written notice by one party to the other affected party that a dispute exists, unless agreed to in writing by those parties. If a dispute between the United States and Defendant cannot be resolved by informal negotiations, then the position advanced by the United States shall be considered binding unless, within fourteen (14) days after the end of the informal negotiations period, the Defendant files a motion with the Court seeking resolution of the dispute. The motion shall set forth the nature of the dispute and a proposal for its resolution. The United States shall have thirty (30) days to respond to the motion and propose an alternate resolution. In resolving any such dispute, the Defendant shall bear the burden of proving by a preponderance of the evidence that the United States' position is not in accordance with the objectives of this Consent Decree and the CWA, and that the Defendant's position will achieve compliance with the terms and conditions of this Consent Decree and the CWA.

- 28. If the United States believes that a dispute is not a good faith dispute, or that a delay would pose or increase a threat of harm to the public or the environment, it may move the Court for a resolution of the dispute prior to the expiration of the thirty (30) day period for informal negotiations. The Defendant shall have fourteen (14) days to respond to the motion and propose an alternate resolution. In resolving any such dispute, the Defendant shall bear the burden of proving by a preponderance of the evidence that the United States' position is not in accordance with the objectives of this Consent Decree, and that the Defendant's position will achieve compliance with the terms and conditions of this Consent Decree and the CWA.
- 29. The filing of a motion asking the Court to resolve a dispute shall not extend or postpone any obligation of Defendant under this Consent Decree, except as provided in Paragraph 36 below regarding payment of stipulated penalties.

### VII. FORCE MAJEURE

- 30. Defendant shall perform the actions required under this Decree within the time limits set forth or approved herein, unless the performance is prevented or delayed solely by events which constitute a Force Majeure event. A Force Majeure event is defined as any event arising from causes beyond the control of Defendant, including its employees, agents, consultants and contractors, which could not be overcome by due diligence and which delays or prevents the performance of an action required by this Consent Decree within the specified time period. A Force Majeure event does not include, *inter alia*, increased costs of performance, changed economic circumstances, changed labor relations, normal precipitation or climate events, changed circumstances arising out of the sale, lease or other transfer or conveyance of title or ownership or possession of a site, or failure to obtain federal, state or local permits.
- 31. If Defendant believes that a Force Majeure event has affected Defendant's ability to perform any action required under this Consent Decree, Defendant shall notify the United States in writing within seven (7) calendar days after the event at the addresses listed in Section IX. Such notice shall include a discussion of the following:
  - A. what action has been affected;
  - B. the specific cause(s) of the delay;
  - C. the length or estimated duration of the delay; and
  - D. any measures taken or planned by the Defendant to prevent or minimize the delay and a schedule for the implementation of such measures.

Defendant may also provide to the United States any additional information that it deems appropriate to support its conclusion that a Force Majeure event has affected its ability to perform an action required under this Consent Decree. Failure to provide timely and complete

notification to the United States shall constitute a waiver of any claim of Force Majeure as to the event in question.

- 32. If the United States determines that the conditions constitute a Force Majeure event, then the deadline for the affected action shall be extended by the amount of time of the delay caused by the Force Majeure event. Defendant shall coordinate with the Corps to determine when to begin or resume the operations that had been affected by any Force Majeure event.
- 33. If the parties are unable to agree whether the conditions constitute a Force Majeure event, or whether the length of time for fulfilling the provision of the Consent Decree at issue should be extended, any party may seek a resolution of the dispute under the procedures in Section VI of this Consent Decree.
- 34. Defendant shall bear the burden of proving (1) that the noncompliance at issue was caused by circumstances entirely beyond the control of Defendant and any entity controlled by Defendant, including its contractors and consultants; (2) that Defendant or any entity controlled by Defendant could not have foreseen and prevented such noncompliance; and (3) the number of days of noncompliance that were caused by such circumstances.

### VIII. STIPULATED PENALTIES

- 35. After entry of this Consent Decree, if Defendant fails to timely fulfill any requirement of the Consent Decree (including Appendix A, Appendix B, and the Final Mitigation Plan) the Defendant shall pay a stipulated penalty to the United States for each violation of each requirement of this Consent Decree as follows:
  - A. For Day 1 up to and including \$1000.00 per day Day 30 of non-compliance
  - B. For Day 31 up to and including \$2,000.00 per day 60 of non-compliance

C. For Day 61 and beyond of non-compliance

\$3,000.00 per day

Such payments shall be made without demand by the United States on or before the last day of the month following the month in which the stipulated penalty accrued.

- 36. Any disputes concerning the amount of stipulated penalties, or the underlying violation that gives rise to the stipulated penalties, that cannot be resolved by the parties pursuant to the Dispute Resolution provisions in Section VI and/or the Force Majeure provisions in Section VII shall be resolved upon motion to this Court as provided in Paragraphs 27 and 28.
- 37. The filing of a motion requesting that the Court resolve a dispute shall stay
  Defendant's obligation to pay any stipulated penalties with respect to the disputed matter
  pending resolution of the dispute. Notwithstanding the stay of payment, stipulated penalties
  shall continue to accrue from the first day of any failure or refusal to comply with any term or
  condition of this Consent Decree. In the event that Defendant does not prevail on the disputed
  issue, stipulated penalties shall be paid by Defendant as provided in this Section.
- 38. To the extent Defendant demonstrates to the Court that a delay or other non-compliance was due to a Force Majeure event (as defined in Paragraph 30 above) or otherwise prevails on the disputed issue, the Court shall excuse the stipulated penalties for that delay or non-compliance.
- 39. In the event that a stipulated penalty payment is applicable and not made on time, interest will be charged in accordance with the statutory judgment interest rate provided for in 28 U.S.C. § 1961. The interest shall be computed daily from the time the payment is due until the date the payment is made. The interest shall also be compounded annually.
- 40. Defendant shall make any payment of a stipulated penalty by FedWire Electronic Funds Transfer ("EFT" or wire transfer) to the U.S. Department of Justice account in accordance

with current electronic funds transfer procedures, referencing the Corps and DOJ case number 90-5-1-1-17836 and USAO case number 2006-V00121. Payment shall be made in accordance with instructions provided to the Defendant by the Financial Litigation Unit of the United States Attorney's Office for the United States District of Oregon. Any payments received by the Department of Justice after 4:00 P.M. (Eastern Time) will be credited on the next business day. Further, upon payment of any stipulated penalties, Defendant shall provide written notice, at the addresses specified in Section IX of this Decree.

### IX. ADDRESSES

41. All notices and communications required under this Consent Decree shall be made to the parties through each of the following persons and addresses:

## A. TO THE UNITED STATES ATTORNEY'S OFFICE AND THE DEPARTMENT OF JUSTICE

Neil J. Evans Assistant United States Attorney 1000 S.W. Third Avenue, Suite 600 Portland, OR 97204-2904

David J. Kaplan, Attorney
Environmental Defense Section
Environment and Natural Resources Division
U.S. Department of Justice
P.O. Box 23986
Washington, D.C. 20026-3986

### B. TO THE CORPS:

Edmund H. Berger, Attorney U.S.A.C.E. Office of Counsel P.O. Box 2946 Portland, Oregon 97208-2946

### C. <u>TO DEFENDANT</u>:

Alaska-Sutherlin Knolls Company Attn: Ms. Renee Burk, Sec/Treas P.O. Box 1190 Sutherlin, Oregon 97479

### X. COSTS OF SUIT

42. Each party to this Consent Decree shall bear its own costs and attorneys' fees in this action. Should Defendant subsequently be determined by the Court to have violated the terms or conditions of this Consent Decree, Defendant shall be liable for any costs or attorneys' fees incurred by the United States in any action against Defendant for noncompliance with or enforcement of this Consent Decree.

### XI. PUBLIC COMMENT

43. The parties acknowledge that after the lodging and before the entry of this Consent Decree, final approval by the United States is subject to the requirements of 28 C.F.R. § 50.7, which provides for public notice and comment. The United States reserves the right to withhold or withdraw its consent to the entry of this Consent Decree if the comments received disclose facts which lead the United States to conclude that the proposed judgment is inappropriate, improper, or inadequate. The Defendant agrees not to withdraw from, oppose entry of, or to challenge any provision of this Consent Decree, unless the United States has notified the Defendant in writing that it no longer supports entry of the Consent Decree.

### XII. CONTINUING JURISDICTION OF THE COURT

44. This Court shall retain jurisdiction over this action in order to enforce or modify the Consent Decree consistent with applicable law or to resolve all disputes arising hereunder as may be necessary or appropriate for construction or execution of this Consent Decree. During the pendency of the Consent Decree, any party may apply to the Court for any relief necessary to construe and effectuate the Consent Decree.

### XIII. MODIFICATION

45. Upon its entry by the Court, this Consent Decree shall have the force and effect of a final judgment. Any modification of this Consent Decree shall be in writing, and shall not take effect unless signed by both the United States and the Defendant and approved by the Court.

### XIV. TERMINATION

- 46. Except for Paragraphs 19, 20, 24, and 25, this Consent Decree may be terminated by either of the following:
- A. Defendant and the United States may at any time make a joint motion to the Court for termination of this Decree or any portion of it; or
- B. Defendant may make a unilateral motion to the Court to terminate this Decree after each of the following has occurred:
  - 1. After fully and successfully completing the terms and conditions in Appendix A, Appendix B, and the Final Mitigation Plan (including all required monitoring), and Defendant has there after obtained and maintained compliance with all provisions of this Consent Decree and the CWA for twelve (12) consecutive months;
  - 2. Defendant has paid all penalties and other monetary obligations hereunder and no penalties or other monetary obligations are outstanding or owed to the United States;
  - 3. Defendant has certified compliance pursuant to subparagraphs 1 and2 above to the Court and all Parties; and
  - 4. Within forty-five (45) days of receiving such certification from the Defendant, the Corps has not contested in writing that such compliance has been

achieved. If the Corps disputes Defendant's full compliance, this Consent Decree shall remain in effect pending resolution of the dispute by the Parties or the Court.

IT IS SO ORDERED.		
Dated and entered this da	ay of	, 2007.
	United States Dis	strict Judge

### ON BEHALF OF THE UNITED STATES:

KARIN J. IMMERGUI	
United States Attorney	
District of Oregon	Dated: 7.27.07
NEIL J. EVANS, OSB #96551	
Assistant United States Attorney	
1000 S.W. Third Avenue, Suite 600	
Portland, OR 97204-2904	
Tel.: (503) 727-1053	
Fax: (503) 727-1117	
RONALD J. TENPAS Acting Assistant Attorney General Environment and Natural Resources Div.	Dated: 7.27.07
David J. Kaplan, Attorney	
Environmental Defense Section	
Environment and Natural Resources Division	
U.S. Department of Justice	
P.O. Box 23986	
Washington, D.C. 20026-3986	
Tel: (202) 514-0997	

FOR DEFENDANT ALASKA-SUTHERLIN KNOLLS CORPORATION:

TED STEPOVICH

841 I Street

Anchorage, AK 99501 Tel: (503) 727-1053

RENEE BURK, Secretary-Treasurer

Alaska-Sutherlin Knolls

PO Box 360

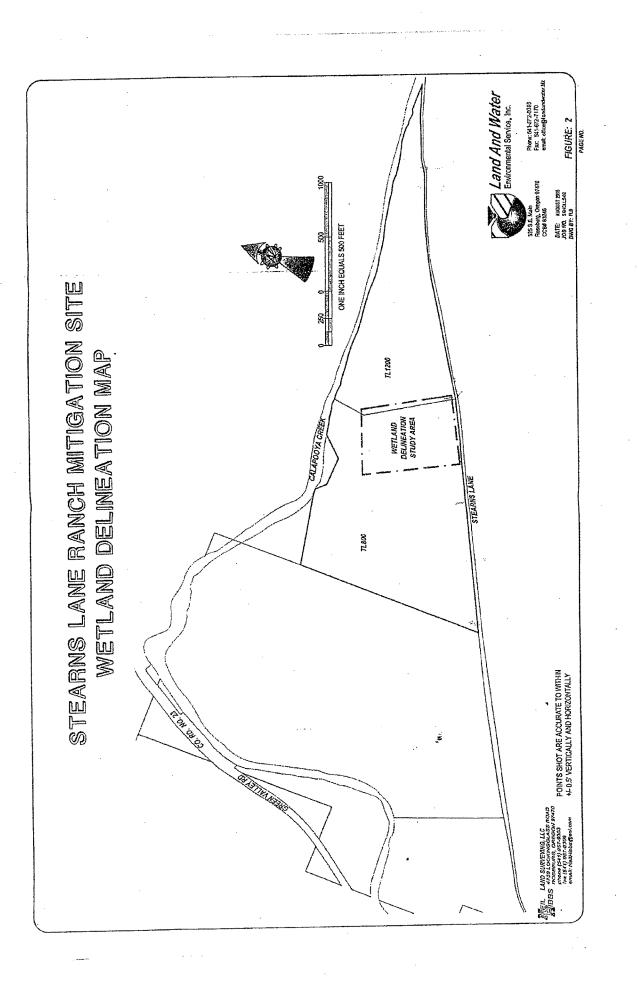
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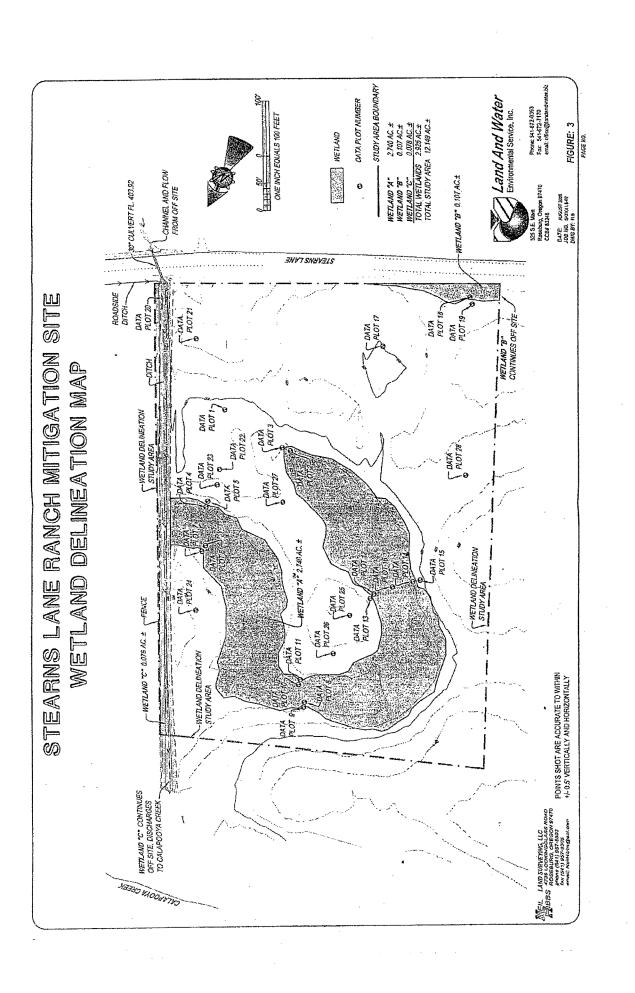
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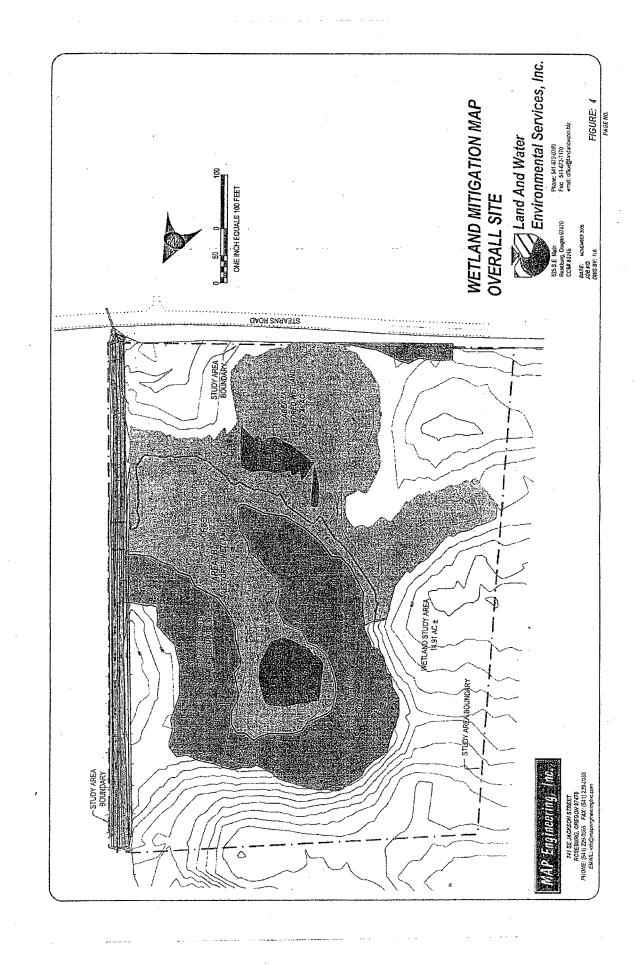
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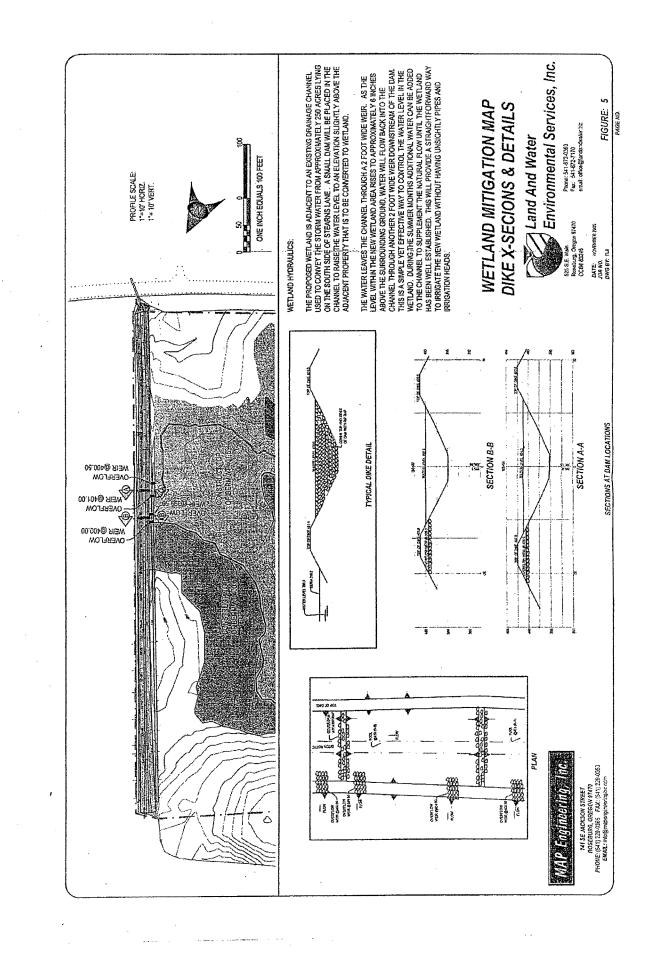
### APPENDIX A

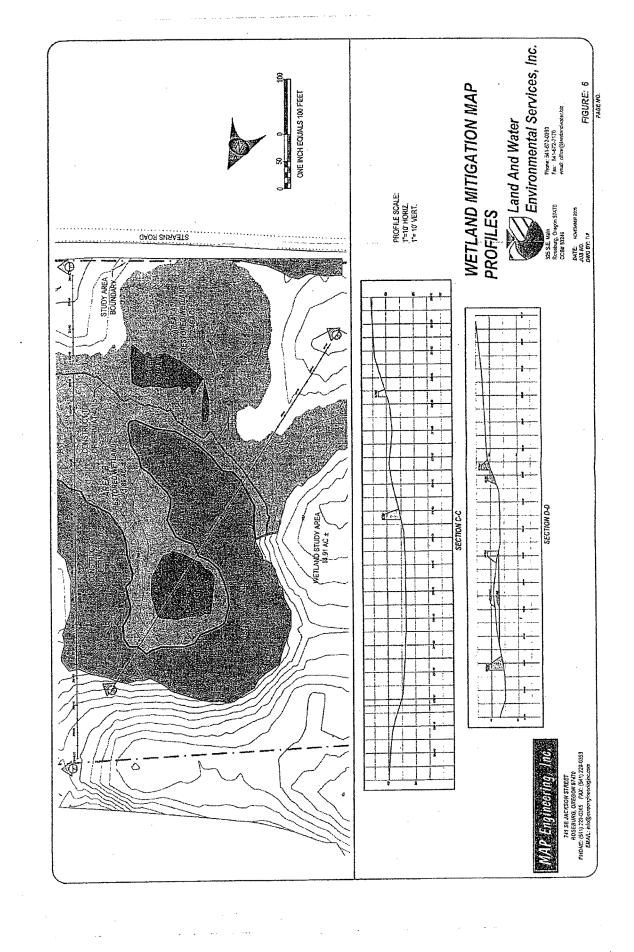
Stearns Lane Ranch Property

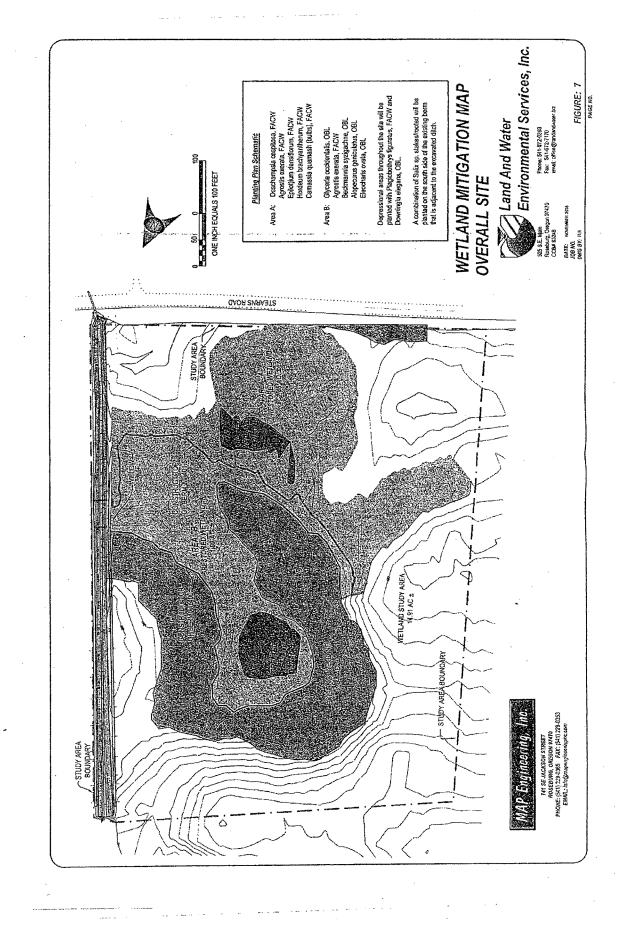












### Appendix B

# RESTORATION, MITIGATION AND PRESERVATION - CONDITIONS FOR COMPLETION ALASKA SUTHERLIN KNOLLS CORPORATION

The following on-Site and off-Site mitigation-related tasks shall be completed to the sole satisfaction of the U.S. Army Corps of Engineers, Portland District, on or by the indicated dates as a necessary condition to successfully fulfill the *Final Mitigation Plan*, *Alaska Sutherlin Knolls Corporation* dated February 20, 2006, prepared by Land And Water Environmental Services, Inc. (Final Mitigation Plan), which plan is attached to this Appendix B, and, together with this Appendix and Appendix A, is fully enforceable as part of the Consent Decree. Figures 1 through 7 of the Final Mitigation Plan referenced herein constitute Appendix A of the Consent Decree to which this Appendix B is attached.

### General

1. Alaska Sutherlin Knolls Corporation (ASK) shall fully implement the *Final Mitigation Plan Alaska Sutherlin Knolls Corporation* prepared by Land and Water Environmental Services, Inc., dated February 20, 2006, attached hereto. ASK shall complete construction and planting of the mitigation areas by the dates indicated below.

### On-Site Mitigation

- 2. ASK shall perform onsite mitigation by establishing a zone of riparian vegetation along the created 1.21 acres of wetland in the serpentine channel and enhance 0.99 acres adjacent to Cook Creek and the small wetland on the eastern perimeter of the property.
- 3. ASK shall plant an additional 80 Oregon ash, 30 white oaks, and 460 rooted willow and willow stakes of assorted species in locations described in the mitigation plan. All planting shall be accomplished by **March 31, 2008**.
- 4. ASK shall create a buffer screen for the serpentine channel by establishing a row of coniferous trees such as red cedar or Ponderosa pine planted on 8 foot centers in an excavated trench backfilled with soil. All planting shall be accomplished by **October 31**, 2009.
- 5. ASK shall provide an as-built plan view showing the on-site riparian and buffer planting locations, quantities and species within 60 days after construction and planting, but no later than **March 31**, 2010.
- 6. ASKC shall diligently pursue success of the on-site mitigation and buffer until the success criteria are met. ASK shall, each year, carry out any supplemental planting or other corrections necessary to assure the success criteria are met.

- 7. The success criteria for the onsite mitigation shall be the survival of at least 250 Oregon ash, white oaks and willows (*i.e.*, a number equal to 50% of the original number of trees planted). Trees can have been planted or be natural volunteers. In order to count toward the 250 required, each tree must be at least two years old and cannot have been planted, irrigated or fertilized during the previous two years.
- 8. ASK shall monitor the on-site mitigation areas for a minimum of 5 years or until the success criteria are met. The site shall be inspected at least once each year, during the months of August or September. ASK shall continue monitoring until the riparian planting survival achieves 50% survival for 2 consecutive years without supplemental planting, maintenance or irrigation.
- 9. ASK shall prepare and submit an annual report for the inspections above. Each report shall provide information including but not limited to survival of plantings by species, maintenance activities and supplemental planting. Each report shall be submitted by **October 31** of the corresponding year. ASK shall submit these reports to:

U.S. Army Corps of Engineers
ATTN: Regulatory Branch – Compliance, Douglas County
CENWP-OD-G
P.O. Box 2946
Portland, Oregon 97208-2946.

10. ASK shall provide a conservation easement or affect other means to ensure the permanent protection of the on-site mitigation areas, including riparian and buffer planting locations, in accordance with the terms and conditions of the Consent Decree to which this document is appended.

### Off-Site Mitigation

- 11. ASK shall provide mitigation at the Stearns Lane Ranch site by enhancing 2.74 acres of existing wetland, creating 0.44 acres of wetland, and restoring 4.15 acres of wetland.
- 12. ASK shall construct the off-site mitigation by excavating upland and creating berms as detailed on Figures 4 and 6 of the mitigation plan; and ASK shall construct weirs and build dams in the drainage channel in accordance with Figure 5 of the mitigation plan. Construction shall be completed by **October 31, 2009**.
- 13. ASK shall plant the wetland creation and restoration area with species shown on Figure 7 of the mitigation plan. This planting shall be completed by **March 31, 2010**.
- 14. ASK shall provide an as-built plan view showing the off-site mitigation area and the location of the berms and weirs. The plan will also list quantities, areas and species planted. The as-built plan will be submitted within 60 days after construction and planting, but no later than **July 31, 2010**.

- 15. ASKC shall diligently pursue success of the offsite mitigation until the success criteria are met. ASK shall, each year, carry out any supplemental planting or other corrections necessary to assure the success criteria are met.
- 16. Success criteria for the offsite mitigation shall be: On 7.33 acres of wetland enhancement, creation and restoration, ASK shall provide hydrology and hydrophytic vegetation sufficient to meet the criteria of the 1987 Wetland Delineation Manual, with 80% cover by native vegetation for two consecutive years without supplemental seeding, planting, irrigation or other maintenance during those two years.
- 17. ASK shall monitor the off-site mitigation area for a minimum of 5 years or until the success criteria above are met, whichever is later. For the first two monitoring years the site shall be inspected twice during each year: once during **April or May** to determine whether the appropriate hydrology is present, and once during **August or September** to determine vegetation success. In subsequent years the site shall be inspected once, during the months of **August or September**.
- 18. ASK shall prepare and submit an annual report for the inspections above. Each report shall provide information including but not limited to hydrology, planting survival and plant dominance by species, supplemental plantings, and other maintenance activities. Each report shall be submitted by **October 31** of the corresponding year. ASK shall submit these reports to:

U.S. Army Corps of Engineers ATTN: Regulatory Branch – Compliance, Douglas County CENWP-OD-G P.O. Box 2946 Portland, Oregon 97208-2946.

19. ASK shall provide a conservation easement or affect other means to ensure the permanent protection of the Stearns Lane Ranch off-site mitigation area, including the drainage channel, in accordance with the terms and conditions of the Consent Decree to which this document is appended.

### Final Mitigation Plan

### Alaska Sutherlin Knolls Corporation

COE# 97-01571 DSL # FP 13763

Prepared By:

Land And Water Environmental Services, Inc. 525 SE Main St. Roseburg, OR 97470

February 20, 2006

### Final Mitigation Plan

### Alaska Sutherlin Knolls Corp.

The purpose of this mitigation plan is to bring the Alaska Sutherlin Knolls Commercial Development into compliance with the existing Corps (#97-01571) and Department of State Lands (DSL) (FP 13763) permits consistent with the mitigation approved by those agencies. The basis of the mitigation being proposed here is the conversation of May 11, 2005 with Mr. Don Borda, Chief of the Portland District Regulatory Branch, and the conceptual Mitigation Plan Reviewed by the Corps on July 28, 2005.

Two of the mitigation sites developed or partially developed as part of the original mitigation plan approved by the agencies have been determined to not be as successful as initially expected. Consequently, alternative mitigation has been developed. The following 2 sites will be replaced.

- Mitigation Areas A & B, a 6.1 acre wetland mitigation site located on the Oak Hills Golf Club will be replaced with a new proposed mitigation located on a ranch site owned by Alaska Sutherlin Knolls Corporation and located on Stearns Lane, as described below (Figure 1). The ranch mitigation site is located approximately one mile to the north of the golf course. The likely success of the mitigation conducted on the golf course has become suspect. Consequently, an alternative location of the mitigation has been considered a viable option to ensure that mitigation is conducted successfully.
- The log pond mitigation site, a 3.68 acre wetland restoration mitigation site located on the Sutherlin School District No. 130 Property on Central Avenue in Sutherlin will be replaced with new mitigation that will be proposed on the Stearns Lane ranch property, as described below. Sale of the school district property has raised issues of the suitability of the site for mitigation because the control of the property has become questionable. Further, the sale also caused the Sutherlin School District to reevaluate its commitment to monitoring the mitigation as a long term educational project.

The terms of the Corps and DSL permits for the golf course mitigation are stated as follows: "Creation of 3.8 acres of emergent wetland, and enhancement of 0.3 acres of forest/scrub-shrub and emergent wetland adjacent to an existing pond. Enhancement of 3.75 acres of wetland near a second pond involves planting and manipulation of hydrology. Goal: Improve water quality.

The terms of the Corps and DSL permits for the log pond mitigation site are stated as follows: "Restoration of 3.2 acres of historic emergent wetland adjacent to an abandoned log pond; and restoration of an additional 0.48 acres of wetland through lowering of elevation of the north-to-south dike [for a total of 3.68 acres of wetland restoration]. Goal: To create nesting refuge habitat for waterfowl and other water dependent species, and provide a highly valuable educational facility for the Sutherlin School District science program through conversion of a wood waste area into a highly productive emergent marsh".

The stated goals for these mitigation projects originally approved by DSL and the Corps; 1) improve water quality, 2) create nesting habitat for water dependant species, and 3) provide an educational facility by creating a marsh from a wood waste site, are goals that were developed because of the unique nature of the mitigation sites and had little or nothing to do with replacing specific wetland functions lost at the impact site.

The water quality improvement goal as intended in this mitigation was a direct result of the use of sewage effluent for irrigation on the golf course. The emergent wetlands to be created would have a biofiltration effect on the effluent, resulting in an overall improvement in the quality of water used on the site for irrigation. However, since there was to be no discharge of treated effluent from the golf course to Cook Creek, there was little net value to the watershed. There is no effluent use on the Stearns Lane Ranch property; however water quality improvements such as water storage and delay, sediment stabilization, and nutrient removal will take place in the proposed mitigation wetlands, resulting in a net benefit to the watershed.

There was no marsh or nesting habitat for waterfowl or other water dependant species impacted by the development. The 6.49 acres of wetlands impacted by the development of the commercial property consisted primarily of emergent wet prairie that had been degraded by many years of agricultural operations, primarily non-irrigated pasture and hay production. The new mitigation site on the Stearns Lane Ranch property also consists of wet prairie that has been degraded by many years of agricultural operations. Consequently, the new mitigation will be closer in character to the areas impacted.

Wet prairie habitat was once a major component of the landscape in the interior valleys of the Umpqua River drainage, and especially in the Sutherlin Creek/Cooper Creek/Calapooya Creek valleys. Frequent fires caused by lightning and also set by Native Americans maintained the wet prairie habitat for hunting and for populations of wild food plants that are common components of wet prairie. Since the mid 1800's wet prairie habitat has been steadily disappearing as a result of the growth of agricultural practices and the accompanying population growth. The goal for the relocated mitigation will be to restore the mitigation site to the historic emergent wet prairie habitat with the appropriate tufted hairgrass dominated plant community. This goal takes advantage of the existing features of the new mitigation site, will replace wetland functions that more closely match the functions lost at the impact site, and will restore a significant wetland community that is one of the most threatened and quickly disappearing in the interior valleys of western Oregon.

### On Site Mitigation - Serpentine Channel

The on site mitigation will be brought into compliance with the mitigation plan originally approved by the Corps and DSL, and according to recommendations made by agency staff.

### Permit requirements:

Create 1.21 acres of riparian and emergent wetland Enhance 0.99 acres of riparian and emergent wetland

The on-site wetland mitigation resulted in the creation of 1.21 acres of riparian emergent wetland along the new alignment of the tributary of Cook Creek, including the fish resting pond at the upper end of the serpentine channel. An additional 0.99 acres of enhancement will be completed adjacent to Cook Creek, the new alignment of the tributary of Cook Creek and the small wetland on the eastern perimeter of the property.

To fulfill the enhancement requirement on site and to establish a more complete riparian zone, an additional 80 Oregon Ash, 60 Oregon White Oak, and 460 rooted willow and willow stakes of assorted species will be planted. The trees will be grown from local seed, and the rooted willow and willow stakes will come from local sources.

The ash and willow will be planted in selected locations in the area of the confluence of Cook Creek and the tributary, upstream along the tributary adjacent to the channel, and in a few locations around the small wetland on the east perimeter. The ash and willow will be planted primarily on the inside of the meanders, and the oak will be planted toward the outside edges, in the drier portions of the larger excavation that contains the serpentine channel.

To provide an additional riparian buffer and create a screen for the serpentine channel, a row of coniferous trees such as red cedar or Ponderosa pine will be planted. The trees will be planted on 8 foot centers, in an excavated trench that has been backfilled with soil. Irrigation will be provided to insure survival.

The on site mitigation, consisting of 1.21 acres of riparian and emergent wetland creation and 0.99 acres of riparian and emergent wetland enhancement will provide full compensation for 1.14 acres of the original 6.49 acres of impacted wetland (Table 1). This leaves 5.35 acres of impacted wetland still requiring compensatory wetland mitigation, which will take place on the Stearns Lane Ranch site. This will be accomplished by a combination of enhancement of 2.74 acres of existing emergent wet prairie, creation of 0.44 acres of emergent wet prairie, and restoration of 4.15 acres of historic emergent wet prairie.

### Stearns Lane Ranch Wetland Mitigation Site

The Stearns Lane Ranch mitigation site (Figure 2) is currently being used as irrigated pasture and for hay production. Historically, prior to the beginning of agriculture in this area in the early 1800's, this site consisted primarily of emergent wet prairie grasslands, with seasonally saturated soils and seasonal inundation in the low spots and depressions.

Although a remnant wetland still exists in the central portion of the site, most of the area within the mitigation site no longer has wetland hydrology or hydrophytic vegetation. This is due to 100 years or more of agricultural activity, resulting in ditching and draining and the alteration of the plant community to irrigated pasture grasses.

The 15 acre section of the ranch property that will be used for mitigation was flagged and a wetland delineation was conducted within this study area. The delineation was completed and surveyed in August of 2005. The majority of the ranch property had been mowed earlier in the year for hay production; however the large existing remnant wetland in the study area remained un-mowed. The vegetation in the remainder of the study area, although mowed, was identifiable. The wetland delineation determined that there are a total of 2.9 acres of existing wetland within the mitigation area (Figure 3). The complete wetland delineation report will be submitted for review and concurrence in conjunction with this mitigation plan.

The remainder of the mitigation required to get the permit back into compliance will be accomplished on this site by significantly increasing the hydrology in selected areas and planting with a variety of native wet prairie species. The primary source of hydrology for the mitigation will be the excavated ditch that runs along the east boundary of the mitigation area. Dams and pipes will be used to access this water and take advantage of the existing topography of the site to create seasonally inundated and saturated areas (Figure 4). Minor grading will take place to lower the elevation in some spots to create areas that will become saturated, and small check dams and berms will be used to maintain the seasonal inundation at the desired depth of one half foot, and confined to the specific mitigation areas. The restored wet prairie will be located in a wide zone contiguous with the existing 2.74 acre wetland. Two small areas of non-hydric soils will be graded to reduce elevation and saturated to create wetlands. Large areas that contain hydric soils but have altered hydrology will have the hydrology restored. The mitigation area will be fenced to prevent any livestock from entering the site.

The adjacent wetland provides a significant natural native seed source including such species as ovate spike rush, western mannagrass, water foxtail, and spike bentgrass. Additional species will be planted such as small fruited bullrush, tufted hairgrass, camas, and American slough grass. The existing excavated ditch and the constructed dams will be planted with a variety of native willow species.

There is an existing water right and irrigation system that is currently in use on the property. The irrigation system will be used for the first two summers, as necessary, to maintain soil moisture levels until the vegetation is well established. The ditch will be filled using the irrigation pump and the water will flow into the mitigation areas as designed.

The mitigation activities conducted on the Stearns Lane Ranch will include all three forms of compensatory wetland mitigation:

#### Enhancement:

The existing remnant wet prairie will be enhanced in two ways. The hydrology will be increased as a result of restoring the adjacent wet prairie. During the winter rainy season water flowing in the deep excavated ditch to the east will be diverted and dispersed into the restoration area.

This water will also flow into the existing wetland, improving the hydrology and significantly enhancing the water storage and delay functions. Habitat and vegetation support and diversity functions will also be enhanced, as a result of almost doubling the area of wet prairie on site (Figures 5 & 6).

#### Creation:

In the course of conducting the wetland delineation of the ranch property, extra soil pits were dug specifically to identify areas that did not meet hydric soil conditions, and therefore would not qualify as restoration. These areas were generally confined to the elevated areas. Two of these will be graded and seeded to meet saturation and vegetation requirements.

#### Restoration:

As stated previously, the site is currently irrigated pasture and has been used for agriculture purposes for well over one hundred years. The site has been hydraulically altered during that time. Normal surface and sub-surface water flows onto the property have been cut off or altered by road construction, culverts, and ditching. A large, deep ditch has been dug along the east property line that discharges directly into Calapooya Creek.

Wet prairie will be restored by returning the surface hydrology and replacing the pasture grasses with native wet prairie vegetation similar to what exists in the remnant wetland. During the winter rainy season, water flowing in the deep excavated ditch to the east will be diverted and dispersed into the restoration area (Figures 5 & 6). This will seasonally inundate an area of 4.59 acres to an average depth of approximately 6 inches. Of this 4.59 acres, 0.44 acres do not contain hydric soils and therefore qualify for wetland creation. The remaining 4.15 acres do contain hydric soils and qualify for wetland restoration.

### Goals, Objectives and Success Criteria

Goal: Enhance 2.74 acres of existing wetland, create 0.44 acres of wetland, and restore 4.15 acres of wetland to fully mitigate for 5.35 acres of wetland impact.

Objective #1: Develop hydrological characteristics that will meet the 1987 Manual guidelines for hydrology.

Success Criteria: Two years following final grading, hydrologic indicators demonstrate that the wetland hydrology criteria have been satisfied.

To achieve the success criteria, the wetland mitigation areas will be intermittently inundated during storm events, to a maximum depth of approximately 6 inches. The maximum inundation depth will be regulated by the overflow weirs constructed in the existing dike (Figure 5). After the cessation of a storm event, water levels will decrease slowly by seeping through the constructed berms separating the mitigation areas and the existing wetland, and drain slowly back into the existing excavated ditch through the existing culvert under the dike. This will prevent extended ponding of water in the existing wetland. The soil in the mitigation wetlands will remain saturated at a sufficient frequency and duration to support hydrophytic vegetation.

The attached water balance data (Figure 8) demonstrates that once the mitigation wetlands are established, normal seasonal rainfall will be sufficient to maintain the wetlands. The existing water right to irrigation water from the Calapooya is of adequate volume and duration that supplemental water would be available as necessary during a drought year.

Objective #2: Re-establish historic wet prairie plant community.

Success Criteria: There shall be a 80% cover of native wet prairie plant species after year five.

Objective #3: Protect site from agricultural disturbances such as livestock grazing, hay production and ditching.

Success Criteria: A woven wire fence and metal gate will be constructed around the mitigation site.

Objective #4: Establish long term protection from future development.

Success Criteria: Long term protection in the form of a restrictive covenant, conservation easement, or other approved form of protection will be established for the mitigation site.

### **Compensatory Mitigation Calculation**

The permits issued by the Corps and DSL authorized impacts to 6.49 acres of wetland and required compensatory mitigation at three locations. The mitigation was to be a combination of enhancement, creation, and restoration.

The on-site Cook Creek tributary mitigation is 0.99 acres of enhancement and 1.21 acres of creation. Using a ratio of 3:1 for enhancement and 1.5:1 for creation, this equates to mitigation for 1.14 acres of impacts that will be brought into compliance with the permit.

This leaves 5.35 acres of impact that require compensatory mitigation, due to dropping the golf course mitigation areas and the school district log pond sites. Using a ratio of 3:1 for wetland enhancement, 1.5:1 for wetland creation, and 1:1 for wetland restoration, 2.74 acres of existing wet prairie will be enhanced, 0.44 acres of wetland will be created, and 4.15 acres of emergent wet prairie habitat will be restored on the Stearns Lane Ranch property. This mitigation, when added to the existing wetland mitigation that will be brought into compliance with the permit, will fully compensate for impacts to 6.49 acres of emergent wetland authorized by the Corps and DSL permits.

The following table shows the total of the compensated impacts under the proposed mitigation.

Table 1: Cumulative CWM credit for proposed mitigation

Wetland Impacts	CWM On-Site (Cook Creek Tributary)	Stearns Lane Ranch Site	Balance of Unmitigated Wetland
Impacis	(Cook Crock Thousary)	-	Impacts
6.49 ac	0.99@3:1 = 0.33 ac credit		6.49 - 0.33 = 6.16 ac
	1.21@1.5:1 = 0.81 ac credit		6.16 - 0.81 = 5.35 ac
		2.74@3:1 = 0.91 ac credit	5.35 - 0.91 = 4.44 ac
	,	0.44@1.5:1 = 0.29 ac credit	4.44 - 0.29 = 4.15 ac
·		4.35@1:1 = 4.35 ac credit	4.15 - 4.35 = 0.00 ac
			(+0.20 ac extra
			mitigation credit)

NOTE: Enhancement Mitigation Credit is calculated at 3:1 Creation Mitigation Credit is calculated at 1.5:1 Restoration Mitigation Credit is calculated at 1:1

# Long Term Protection of Mitigation Sites

Long term protection will be established for both the on-site mitigation and the Stearns Lane Ranch mitigation. This protection will take the form of a restrictive covenant, conservation easement, or other form of protection approved by the Corps and DSL.